



U.S. Department of Transportation  
**Federal Aviation Administration**

800 Independence Ave., SW  
Washington, DC 20591

Date: October 29, 2001

TO: U.S. Air Carriers

**Aviation Insurance  
Incremental Premium Reimbursement**

Dear Air Carrier Insurance Representative:

Pursuant to section 201(b)(1) of the Air Transportation System Safety and Stabilization Act, (Pub. L. No. 107-42, 115 Stat. 230, Sept. 22, 2001), the Federal Aviation Administration's Aviation Insurance Program hereby offers to partially reimburse your company for the increases in the war risk insurance premiums above that paid by your company for comparable operations during the period beginning on September 4, 2001, and ending on September 10, 2001. This offer is subject to final funding availability.

This reimbursement will only cover premium increases —

- (a) for coverage against loss or damage arising out of war risks from the operation of an "American aircraft," as that term is defined at 49 USC 44301(1); and
- (b) for the thirty-day period beginning at 12:01 a.m. on the day following the cancellation of the war risk insurance that was in effect for your company on September 11, 2001, and ending at 12:00 midnight on the thirtieth day following.

To request this reimbursement, follow the instructions below. **You must submit your request for reimbursement with appropriate documentation for receipt by the FAA by close of business November 2, 2001, to be eligible for this reimbursement.** Fax or e-mail requests are allowed, but must be followed by original documents sent via express courier or mail.

A final determination of the amount of payment for reimbursement will be made by the FAA after November 2 when all applications for reimbursement shall have been received and the sum of requests for reimbursement is known. The amount of reimbursement will be pro-rated based on the availability of funds for this purpose in the Aviation Insurance Revolving Fund. Additional payments may be made from the Revolving Fund as additional amounts become available from the "2001 Emergency Supplemental Appropriations Act for Recovery from and Response to Terrorist Attacks on the United States".

## **Instructions for Application for Reimbursement**

1. Complete the attached invoice with the following information.
  - A. Airline Name
  - B. FAA Reference Number - R-AI-02-[use your two digit airline code] (If you do not know the two digit airline code, use your air carrier certificate number)
  - C. Taxpayer Identification Number
  - D. Company Invoice Number. This is your company's invoice number issued to FAA.
  - E.
    - 1) Enter the dates for the thirty-day period beginning at 12:01 a.m. on the day following the cancellation of the war risk insurance that was in effect for your company on September 11, 2001, and ending at 12:00 midnight on the thirtieth day following.
    - 2) Amount – Enter the pro-rata average daily premium information for the two time periods as requested, calculate the difference and multiply by 30 to reach the total: Round to the nearest whole dollar: \$000,000
  - F. Electronic fund transfer information for your bank account for FAA's deposit.
    - 1) Bank name
    - 2) Bank address
    - 3) Bank ABA routing number
    - 4) Account Name
    - 5) Account Number
  - G. Fleet Certification – Fill in the correct percent (%) of “American aircraft” in your fleet as defined at 49 USC 44301(1). (See Frequently Asked Questions for definition)
  - H. Statement of Certification – By signing on line I (below this statement) you are certifying the invoiced amount is accurate under penalty of 18 USC 1001.
  - I. Signature of appropriate corporate official.
2. Supply us with the name, phone number, and e-mail address of the appropriate person(s) to contact if we have specific questions about the invoice.
3. Provide a copy of your FAA air carrier certificate.
4. Provide a copy of your insurance company's invoice showing the insurance premium for war risk hull and/or liability that was in effect for comparable operations during the period beginning September 4, 2001, and ending September 10, 2001.
5. Provide a copy of your insurance company's invoice showing the insurance premium increase for war risk after September 11, 2001.

If your company's invoices are not consistent with our request, provide a written statement from your insurer as to the war risk premium(s) prior to September 11, 2001 and premium(s) after September 11, 2001 on a pro-rata daily basis and calculate the difference.

## **Return of Documents**

Please respond to this letter by fax to the attention of: Air Ambulance Insurance (202) 267-3324 or (202) 267-5370 or (202) 267-3278, or by email to [9-awa-apo-aviation-insurance@faa.gov](mailto:9-awa-apo-aviation-insurance@faa.gov), Follow the electronic response by sending the original invoice to FAA at the address below. (As of this writing, U.S. mail delivery in the Washington, DC area is disrupted, so you may wish to use a private service.)

Federal Aviation Administration  
Attn: [Air Ambulance Insurance]  
APO-3 (Room 939)  
800 Independence Ave., S.W.  
Washington, DC 20591

Your request for reimbursement will be reviewed promptly by the Aviation Insurance Program staff. We anticipate that your reimbursement will be issued within four to six weeks of receipt of your e-mail or fax request.

Sincerely,

/s/

John M. Rodgers,  
Director of Aviation Policy and Plans

## Application for Incremental War Risk Insurance Premium Reimbursement.

To:	Aviation Insurance Department, APO-3 Federal Aviation Administration 800 Independence Avenue, SW, Room 939 Washington, DC 20591		
A	Airline Name _____		
B	FAA Reference Number: R-AI-02 _____ <small>(two digit airline code or your air carrier certificate number)</small>		
C	Taxpayer Identification Number _____		
D	Company Invoice Number _____		
E 1	Charges for incremental war risk premium reimbursement, covering period _____, 2001 through _____, 2001 (not to exceed 30 days)		
E 2	<b>War Risk Premiums Prior to Sept. 11, 2001</b> Avg Daily Rate  Hull     \$ _____  Liability \$ _____  Total    \$ _____	<b>War Risk Premiums After Sept. 11, 2001</b> Avg Daily Rate  Hull     \$ _____  Liability \$ _____  Total    \$ _____	<b>Difference</b> Avg Daily Rate  Hull     \$ _____  Liability \$ _____  Total    \$ _____
	Total Difference Multiplied by 30 days		
	Total 30 Day Premium Reimbursement Request \$ _____ (Round to nearest whole dollar)		
F 1	Bank Name _____		
F 2	Bank Address _____		
F 3	Bank ABA routing number _____		
F 4	Account Name _____		
F 5	Account Number _____		
G	I certify that the percentage of "American aircraft" as defined at 49USC 44301(1) covered by the insurance for which premium reimbursement is requested is _____ % <small>(100% or some lessor number)</small>		
H	I certify that the forgoing charges are true and correct and that payment therefore has not yet been received for such charges from the Federal Aviation Administration. The information supplied in this certification subjects the affirmant to the provisions of 18 USC 1001.		
I	Signed: Name and title of certifying corporate official _____		

## Frequently Asked Questions about the FAA Incremental Insurance Premium Reimbursement Program

Q: What is the FAA offering to reimburse?

A: The FAA is offering to reimburse U.S. air carriers for up to thirty days' increased expense for war risk insurance premiums for comparable operations of, and coverage against loss or damage to, an "American aircraft". "War risk insurance" may be war risk hull and/or war risk liability insurance policies. This offer of reimbursement is dependent on the amount of funds made available for this purpose as well as the total amount to be requested by air carriers.

Q: How do I get this reimbursement?

A: Follow the instructions provided by the FAA. These instructions are available on the internet in the document labeled "Aviation Insurance Incremental Premium Reimbursement", at <http://www.api.faa.gov/911Policies/InsCover.html>

Q: What constitutes an "American aircraft" for purposes of the reimbursement program?

A: The term "American aircraft" is defined at 49 U.S.C. 44301(1) as a civil aircraft of the United States; and an aircraft owned or chartered by, or made available to the U.S. Government or a State, the District of Columbia, a territory or possession of the United States, or a political subdivision of the State, territory, or possession.

Q: Over the past month, I have supplied lots of documentation to the FAA on my insurance policies and premiums. Do I have to submit new documentation to get my reimbursement?

A: You must submit the invoice to the FAA according to the format in the instructions. FAA will need to have on file all of the documentation described in the instructions. Work with your assigned FAA insurance representative to determine if adequate documentation is on file to back up that invoice or if you need to submit some additional material.

Q: The minimum premium payment my insurance carrier required was three months. Will the FAA reimburse me for this entire amount?

A: Not at this time – this offer for reimbursement is limited to up to the pro-rated 30 days of increased expense only.

Q: Prior to September 11, I had purchased war risk liability insurance, but was not charged a separate premium by my insurance carrier because it was combined with the entire liability policy premium. Now I have a separate premium amount – is that eligible for reimbursement?

A: Yes, however we must receive written documentation of this situation.

Q: My air carrier never used to purchase war risk insurance above the Part 205 minimum requirements, but now I have a business requirement for increased coverage. Will the FAA reimburse for this entire difference?

A: The FAA offer is to reimburse for comparable coverage only. Expenses from new business requirements may be eligible for aid from the U.S. Department of Transportation Air Carrier Compensation Program. Information on that program can be found at <http://www.dot.gov/carriers.html>.

Q: My air carrier has purchased the FAA third party liability war risk insurance policy. Will the FAA reimburse me for the premium payment (or can I net the premium against the reimbursement)?

A: No. The FAA insurance policy is to fill a specific gap in the commercial insurance market and the premium is not eligible for reimbursement.

Q: My overall insurance premium has increased. Will the FAA reimburse me for this entire difference?

A: No. The FAA offer of reimbursement is for war risk premium increases only.

Q: What is the certification “subject to 18 USC 1001”?

A: This acknowledges that a false certification can be subject to criminal prosecution.

Q: I would prefer a check to an electronic funds transfer. Is that possible?

A: The U.S. Government requires almost all disbursements to be made electronically. If your carrier has a special requirement, please discuss this with your FAA insurance representative.

Q: There is a reference to “pro-rated based on the availability of funds” in the instruction letter. What does this mean?

A: The FAA can only disburse funds available for this purpose. We have some uncertainty about the total amount that will be requested. The funds allocated for this purpose are also subject to Congressional review. After all requests are received, (by close of business November 2) the FAA will determine whether full or partial refunds will be made.

Q: How and when will I find out how much I will be receiving?

A: You will be contacted during the week of November 12.